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Testimony of Sheldon Toubman in Support of HB 5297 and HB 5056, Expanding PCCM in the HUSKY Program, and SB 281, Requiring the Pharmaceutical and Therapeutics Committee to Allow Public Comment at Its Meetings

Good afternoon, Members of the Human Services Committee:

My name is Sheldon Toubman, and I am an attorney with New Haven Legal Assistance Association. I am here to speak in support of three bills before you today: SB 281, which would require the Pharmaceutical and Therapeutics (P & T) Committee to receive public comment at its meetings, and HB 5297 and HB 5056, both of which would require an expansion of primary care case management (PCCM) to become a statewide option. All of these bills take us in the right direction by improving public input and accountability in the delivery of health care.

First, SB 281 will correct a serious deficiency in the way in which the P & T Committee goes about deciding whether to remove a drug from the state's preferred drug list and thus subject that drug to restrictive prior authorization under the Medicaid and SAGA programs, specifically its refusal to allow members of the public, including consumers and consumer advocates, to speak at its meetings in order to ensure input into those decisions, unless they are specifically invited to do so. This was recently confirmed directly for me last week, when the Committee, after receiving my written statement, decided not to let me speak at its next meeting on March 4th, while specifically allowing others to make oral presentations at this meeting.

It is unwise policy for a quasi-governmental entity to selectively allow consumers and consumer advocates an opportunity to speak before it prior to making its decisions. Each speaker brings their own perspectives to the issues before the Committee, and its members will benefit from hearing that breadth of concern. In addition, by not allowing oral presentations by some members of the public, including consumers and advocates, the Committee deprives its members of the ability to ask any pertinent follow-up questions of those who have submitted written statements. Finally, I note that, because the P and T Committee is a quasi-governmental agency, it would raise First Amendment concerns if it were to persist in selectively allowing some individuals to speak before it, based on their written statements, while denying this same opportunity to others based on their written statements.

SB 281 will correct this by requiring the Committee to hear public comment at its meetings.

Second, I am here to support HB 5297 and HB 5056, because it is time to require an expansion of primary care case management (PCCM) so it can be an option for the entire state. Although the Governor's proposed move from capitated HMOs to ASOs is welcome, moving to PCCM will save more money, put care in the hands of those most able to coordinate it—the treating primary care providers—and provide a stable alternative to the ever-changing set of risk and non-risk corporate contractors which have moved in and out of the HUSKY program over the last three years. Unlike companies which will not hesitate to terminate a contract if it is not in their bottom line interest, individual doctors coordinating care under PCCM are committed to their patients and are not likely to go anywhere. At the very least, we need a **statewide** alternative to compete with the ASO-administered model.

There also is a very relevant precedent from Oklahoma, where that state in 2003-2004, under pressure from capitated HMOs demanding more state money, went from 3 Medicaid HMOs to statewide PCCM—and saved millions of dollars for the taxpayers right away. In Oklahoma,

the HMOs were removed less than 2 months after the decision was made to remove them; the period of time for the transition to statewide PCCM was just 4 and 1/2 months; the expenditures for medical services and cash flow actually dropped about $85.5 million in the first fiscal year; and, even with the increased administrative costs for the state in rolling out the new program, which are particularly high at start-up time, the net savings were $4.3 million in the first few months and $3.9 million in the first full fiscal year. The slides from a powerpoint presentation by the Oklahoma Medicaid director confirming all of the above savings are attached to my testimony (see particularly slides 14 and 15).

But, notwithstanding the directly analogous Oklahoma experience, DSS has not promoted the program in a way which would encourage HUSKY enrollees to choose this option. Absent outside intervention, the PCCM program is going nowhere—in opposition to the clear legislative goal of implementing a very robust program of PCCM to run parallel to the HMOs, at least during a meaningful test period.

Accordingly, the two bills which would expand PCCM to be statewide are most welcome.

There are a few suggested improvements to the two PCCM bills as to which I have prepared an amendment, attached to my testimony. They would (1) remove the onerous FOIA obligation imposed by DSS as a matter of contract on individual primary care providers under PCCM (while not imposing it on individual providers under the HUSKY HMOs); (2) make clear that the statewide expansion also includes HUSKY B (HB 5056 already does this); and (3) require DSS to contract with an outside entity to administer PCCM so that it really can move forward.

Thank you for the opportunity to speak with you today.

Proposed Amendment Language for HB-5297

- To hire an independent entity to administer PCCM:

Sec. (NEW) (Effective October 1, 2010) The Commissioner of Social Services shall secure administrative support services for the primary care case management program, except the commissioner shall not enter into a contract for the provision of such services with a provider of comprehensive health care services as described in subsection (b) of section 17b-266.

- To remove the onerous FOI requirement on individual PCCM providers:

Sec. (NEW) (Effective from passage) Records maintained by primary care case management providers shall not be made subject to public disclosure through any contracts with the Commissioner of Social Services or with any organization contracted with by the Commissioner to administer the primary care case management program.

- To expand PCCM as an option to HUSKY Part B children and Charter Oak Health Plan members:

Section 1. Section 17b-307 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Notwithstanding any provision of the general statutes, not later than November 1, 2007, the Department of Social Services shall develop a plan to implement a pilot program for the delivery of health care services through a system of primary care case management to not less than one thousand individuals who are otherwise eligible to receive HUSKY Plan, Parts A or B, or Charter Oak Health Plan benefits. Such plan shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies. Not later than thirty days after the date of receipt of such plan, said joint standing committees of the General Assembly shall hold a joint public hearing to review such plan. Said joint standing committees of the General Assembly may advise the commissioner of their approval or denial or modifications, if any, of the plan. Primary care providers participating in the primary care case management system shall provide program beneficiaries with primary care medical services and arrange for specialty care as needed. For purposes of this section, "primary care case management" means a system of care in which the health care services for program beneficiaries are coordinated by a primary care provider chosen by or assigned to the beneficiary. The Commissioner of Social Services shall begin enrollment for the primary care case management system not later than April 1, 2008.

SoonerCare Choice: Oklahoma's PCCM Program

January 2008

What Happened?

- Based on estimates from actuaries, the Legislature appropriated base rate increase of 13.6% for the MCOs for CY04
- Final actuarial certified rate was 19.1% increase
- Agency bid MCO rate at 13.6% increase as funded for CY04
- 2 of 3 MCOs accepted bid
- State left with only one plan in each of three service areas

Managed Care Transition

- Board voted
  11-7-03 to eliminate MCO program effective 12-31-03
- Transition of nearly 200,000 enrollees to Fee-for-Service, then to PCCM program in 4 months
- Formed interagency transition team
- Aggressive enrollee outreach campaign
- Provider contracting to extend network statewide
- Expanded care management & program supports

Results Jan-June 2004

- Budget reduced by $23.9 million for medical payouts
- Budget reduced by $24.8 million for cash flow gain
- Budget increased by $6.9 million for estimated administrative costs
- Revenues decreased by $37.5 million, including federal funds
- Agency saved the projected $4.3 million in state dollars for SFY04

Results SFY2005

- Expenditure reduction of $85.5 million
- Revenue reduction of $81.6 million
- Achieved overall savings of $3.9 million